

Leading education, training and development

Londiwe Mthembu is the Managing Director of the Abcon Group Foundation, and the Chairperson of SAPOA's Education, Training and Development Committee

Londiwe Mthembu, the Managing Director of the Abcon Group Foundation, is a town planner by profession, and has a master's degree in the discipline. She's been involved in spatial planning and transformation at the City of Johannesburg, but moved to Mogale City so she could "plan less and implement more". During her work with township regeneration and social infrastructure, Mthembu recognised she needed to up-skill in business and project management, so she completed a postgraduate degree in business administration through Wits Business School. Armed with this, she headed to Ablade. "They weren't quite sure where I would add the most value, so I was handed two portfolios: General Manager for the Abcon Group Foundation, and Development Manager for Ablade. I had two business cards!"

Very soon, Mthembu had carved a niche at the Foundation, taking it to an entirely different level. "We needed to move on from simply painting a school in need," she says. "We re-examined the role the Foundation could play in the industry, and how much more we could do. We recognised the dearth of young black people in the property industry, so we funded bursary students. Today, we're one of the biggest sponsors of the SAPOA Bursary Fund."

Mthembu has worked to "close the loop" to ensure the Foundation covers the full circle – from painting schools to a holistic focus on education, from funding bursaries to facilitating internships and access to employment, from providing enterprise development grants to facilitating access to markets and mentorship of black-owned enterprises – and becomes a support system from start to finish. "We are focused on education and skills development through capital infrastructure investment and the softer social investment aspects," she says. "In enterprise and supplier development, we play a role in supporting small businesses, providing capital requirements and facilitating access to markets – that way, we are positively contributing to providing transformation solutions."

The Foundation has facilitated, funded and supported the establishment of a landscaping firm, which now has 35 full-time employees. Next on the agenda is a rubble-removal company. Mthembu is already talking to partners who could collaborate on this project by providing access to markets and thus building a sustainable business.

"To drive the economy of the country, it's vital that we support small businesses, particularly black ones," says Mthembu. "Transformation is not necessarily a race matter; it's a demographics matter: fifty-three percent of South Africans are living below the poverty line, and most of them are black. If we assist black businesses,

fund them, integrate them into the economy and give them access to markets, we would have significantly driven transformation solutions in the industry."

Mthembu is the Chairperson of the Education, Training and Development Committee at SAPOA. She's determined to bring her experience at Abcon Group Foundation to the table, to encourage a deeper level of collaboration. "Every member organisation does its own thing, but independently," she says. "I know that we can achieve so much more if we work together, collaborate and plan ahead." That's the value Mthembu is determined to drive. 🌸



Keeping a watchful eye on REITs

Liliane Barnard is the Chief Executive Officer of Metope Investment Managers. She also adds her substantial experience and expertise to SAPOA's REIT Committee

In her 30 years in the commercial property sector, Liliane Barnard has held many positions, including those of Head of Asset Management at Old Mutual Property, and independent non-executive director of Pangbourne, Emira and Redefine. "It's an amazing career," she says. "You can work for any of the large or small firms that offer a variety of different opportunities, or you can work for yourself. I'm encouraged by the increased number of young women venturing into our industry – their impact on the broader environment is becoming visible in a very positive way."

"The post-Nenegate era has been challenging. Factors that contributed included political uncertainty resulting from State Capture and the collapse of Steinhoff spreading nervousness into the listed property market. This was reflected in the meltdown in the share prices of Resilient and its associated companies in early 2018, and also what was termed by analysts and commentators as 'the tough 2018 budget'. In addition, there was the shock first quarter 2018 GDP growth figure, sell-offs in global markets, and the negative effect of Donald Trump's trade war between the US and other major economies."

But Barnard says that despite these trying conditions, Metope continues to grow and will be adding new funds to its existing offering. She acknowledges the positive response to the country's change in leadership, and although she says it's too early to see visible change in terms of economic growth and job creation, investor sentiment has improved. She cautions, however, that it will wane rapidly if no progress is seen.

"The Financial Sector Regulation Act came into force in April 2018. The Twin Peaks model of financial sector regulation has created a prudential regulator, the Prudential Authority, while the FSB has been transformed into a dedicated market conduct regulator, the Financial Sector Conduct Authority."

Last year, the shopping centre trend was for them to become "destinations". "Outside of South Africa, including in Eastern Europe and the UK, shopping centres are becoming more leisure-focused by incorporating more food offerings and family-oriented entertainment," says Barnard. "Landlords are also working towards better integration of online shopping platforms with

click-and-collect at retail stores, using stores as showrooms rather than a point of sale." While globally the failure of some department stores has created a void, in South Africa this could be used as an opportunity to bring in new international retailers.

"Mall openings have slowed, and developers are looking at under-served areas such as Alex Mall in Soweto, or Mams Mall in Mamelodi. There's also a focus on consolidating and improving existing centres, such as Menlyn, Fourways, The Pavilion and Ballito Junction."

Healthcare is a hot topic, she says. "While there is demand for healthcare (given the shortage of beds), this sector is relatively small, partly due to the issue of licences, limited funding available for new developments, and weaker covenant strength of smaller operators, as well as the uncertainty around the funding of the NHI and its impact on the healthcare sector. The rationale for establishing a healthcare REIT is to access long leases with strong covenants. Inflation-linked bond-like features of this type of REIT will appeal to pension funds."

"We're definitely seeing a move to offshore investing – not necessarily in reaction to the debate on land expropriation, but rather because there is more opportunity and growth offshore."

The outcome of the land debate will impact all sectors, not just the REIT sector – much will depend on how the expectations of this process are managed."

We live in interesting times. Barnard believes that for smaller property businesses to grow, it's imperative to create a less regulated environment with more enabling legislation. "It's one way to encourage development of inclusive opportunities within the sector." In an industry said to have reached a value of about R1-trillion, there's ample room for participation of new investors, developers and the ancillary services in property that follow. 🌸

